

Opening Statement for the August 1st Hearing on HHS Nominations

The Senate Committee on Health, Education, Labor and Pensions will please come to order.

This committee, which is the Senate's Health committee will hold hearings beginning the week of September 4th on the actions Congress should take to stabilize and strengthen the individual health insurance market so that Americans will be able to buy insurance at affordable prices in the year 2018. We will hear from state insurance commissioners, patients, governors, health care experts and insurance companies. Committee staff will begin work this week working with all committee members to prepare for these hearings and discussions.

The reason for these hearings is that unless Congress acts by September 27 when insurance companies must sign contracts with the federal government to sell insurance on the federal exchange next year, millions of Americans with government subsidies in up to half our states may find themselves with zero options for buying health insurance on the exchanges in 2018. Many others without government subsidies will find themselves unable to afford health insurance because of rising premiums, co-pays and deductibles.

There are a number of issues with the American health care system, but if your house is on fire, you want to put out the fire, and the fire in this case is the individual health insurance market. Both Republicans and Democrats agree on this. Our committee had one hearing on February 1 on this subject, and we'll work intensively between now and the end of September in order to finish our work in time to have an effect on the health insurance policies next year sold in 2018.

I am consulting with Senator Murray to make these hearings bipartisan and to involve as many members of the committee as possible, all who want to can be involved. I'll be consulting with Senator Hatch and Senator Wyden so that the Finance Committee is aware of any matters we discuss that might be within its jurisdiction.

In these discussions, we are dealing with a small segment of the total health insurance market. Only about 6 percent of insured Americans buy their insurance in the individual market—only about 4 percent of insured Americans buy their insurance on the exchanges.

But while these percentages are small, they represent large numbers of Americans including many of our most vulnerable Americans. We're talking about the roughly 18 million Americans in the individual market—about 11 million of them who buy their insurance on the Affordable Care Act exchanges. About 9 million of those 11 million Americans have Affordable Care Act subsidies, and unless we act, many of them may not have policies available to buy in 2018 because insurance companies will pull out of collapsing markets.

Just as important, unless we act, costs could rise once again—even making health care unaffordable—for the additional 9 million Americans in the individual market who receive no government support -- roughly 2 million of them who buy their health insurance on the

Affordable Care Act exchanges but who don't qualify for a government subsidy, and roughly 7 million who buy their insurance outside of the exchanges—this means they have no government help paying for their premiums, co-pays and deductibles.

As we prepare for these discussions, I have also urged the President to temporarily continue the cost sharing reduction payments through September so that Congress can work on a short-term solution for stabilizing the individual market in 2018.

Cost-sharing reduction subsidies reduce copays and deductibles and other out-of-pocket costs to help low income Americans who buy their health insurance on the exchanges that would be (those who make under 250% Federal Poverty Level, or roughly \$30,000 for an individual or \$60,000 for a family of four).

Without payment of these cost sharing reductions, Americans will be hurt. Up to half of the states will likely have bare counties with zero insurance providers offering insurance on the exchanges, and insurance premiums will increase by roughly 20%, according to America's Health Insurance Plans (AHIP).

In my opinion, any solution that Congress passes for a 2018 stabilization package would need to be small, bipartisan, and balanced. It should include funding for the cost sharing reductions, but it also should also include greater flexibility for states in approving health insurance policies.

Now it is reasonable to expect that if the President were to approve continuation of cost-sharing subsidies for August and September, and if Congress in September should pass a stabilization plan that includes cost-sharing for one year, it is reasonable to expect that the insurance companies in 2018 would then lower their rates. They have told us, in fact Oliver Wyman an independent observer of health care, has told us that lack of funding for the cost-sharing reductions would add 11 to 20 percent to premiums in 2018.

So if the President over the next two months and Congress over the next year, takes steps to provide certainty that there will be cost-sharing subsidies that should allow insurance companies to lower the premiums that they have projected. In fact many insurance companies have priced their rates in 2018 at two different levels. One with cost-sharing and one without cost-sharing. So it's important not only that the President approve temporary cost-sharing for August and September, but that we in a bipartisan way find a way to approve it at least for one year so we can keep premiums down.

Now this is only step one in what we may want to do about health insurance and the larger question of health care costs. So we will proceed step-by-step. A subsequent step would be to try to find a way to create a long-term more robust individual insurance market, but for the short-term, our proposal is that by mid-September we will see if we can agree on a way to stabilize the individual insurance market to keep premiums down and make affordable insurance available to all Americans.

Now for this afternoon's business.

Today we're holding a hearing on five nominations for important positions in the Department of Health and Human Services.

Senator Murray and I will each have an opening statement. Then I will introduce the nominees. After their testimony, senators will each have 5 minutes of questions.

Today's hearing is an important one to ensure the Department of Health and Human Services is properly staffed so the department can fulfill its mission to enhance and protect the health and well-being of all Americans.

These nominees come with impressive qualifications.

The first nominee we will hear from is Mr. Lance Robertson, the nominee to be Assistant Secretary for Aging.

In this role, Mr. Robertson will oversee grants to states to support important programs like Meals on Wheels and provide Medicaid recipients home care and financial management.

Mr. Robertson is currently the State of Oklahoma's Director of Aging Services, a position he has held for the past decade.

He has received broad support from national and state groups on aging.

President Trump nominated Mr. Robertson on June 20. The Committee received his completed OGE paperwork on June 30. OGE concluded that Mr. Robertson "is in compliance with applicable laws and regulations governing conflicts of interest." The Committee received his HELP paperwork on July 10.

Next, we will hear from Dr. Brett Giroir who has been nominated to be Assistant Secretary for Health.

He will oversee many public health offices and programs, including promoting biomedical research regulation and integrity, encouraging vaccinations to better protect Americans against outbreaks of vaccine-preventable diseases, and helping respond to the opioid abuse crisis. Last year, Congress provided \$1 billion over two years in state grants to address the opioid crisis in 21st Century Cures.

Dr. Giroir is Founder and CEO of Health Science and Biosecurity Partners, and is an Adjunct Professor of Pediatrics, Tropical Medicine and Medical Ethics and Health Policy at Baylor College of Medicine in Houston.

President Trump nominated Dr. Giroir on May 25, 2017.

The Committee received Dr. Giroir's completed HELP form on May 30. The Committee received Dr. Giroir's Office of Government Ethics (OGE) paperwork on June 5.

OGE concluded that Dr. Giroir "is in compliance with applicable laws and regulations governing conflicts of interest."

Then, we have Dr. Robert Kadlec, who has been nominated to serve as Assistant Secretary for Preparedness and Response.

This role was created under the Pandemic and All-Hazards Preparedness Act to lead the nation in emergency preparedness and response to protect Americans in the event of public health emergencies and disasters.

This role is vital in ensuring we are prepared at the federal, state, and local levels for the next public health threat, whether natural, such as Ebola or Zika, or a bioterror attack.

Dr. Kadlec currently serves as Deputy Staff Director for Senator Burr on the Senate Select Committee on Intelligence.

President Trump nominated Dr. Kadlec on July 11.

The Committee received his completed OGE paperwork on July 19, 2017. The Committee received his HELP paperwork on July 25.

OGE concluded that Dr. Kadlec “is in compliance with applicable laws and regulations governing conflicts of interest.”

The next nomination is Dr. Elinore McCance-Katz to be Assistant Secretary for Mental Health and Substance Use, a position formerly known as the Substance Abuse and Mental Health Services Administrator.

In 1992, the Substance Abuse and Mental Health Services Administration was established within HHS to “reduce the impact of substance abuse and mental illness on America’s communities.”

The 21st Century Cures Act made some significant changes to the agency: It directs the assistant secretary to focus on evidence-based practices, ensure the agency’s grants are used effectively, improve the recruitment of mental health and substance abuse professionals, and collaborate with the criminal justice system to improve services for incarcerated individuals.

Dr. McCance-Katz is currently the Chief Medical Officer for the Rhode Island Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals.

President Trump nominated Dr. McCance-Katz on June 15.

The Committee received her completed OGE paperwork on June 26. The Committee received her HELP paperwork on June 16.

OGE concluded that Dr. McCance-Katz “is in compliance with applicable laws and regulations governing conflicts of interest.”

Finally, we will hear from Dr. Jerome Adams, the nominee for Surgeon General. He will also serve as Medical Director in the Regular Corps of the Public Health Service.

The Surgeon General is often called the “Nation’s Doctor” and in the past, Surgeons General have addressed important issues such as preventing chronic diseases, supporting breast feeding, nutrition and exercise, and mental health.

Dr. Adams today serves as Indiana State Health Commissioner.

President Trump nominated Dr. Adams on June 29.

The Committee received Dr. Adams’ completed OGE paperwork on July 7. The Committee received his completed HELP paperwork on July 24.

OGE concluded that Dr. Adams “is in compliance with applicable laws and regulations governing conflicts of interest.”

We are holding the hearing today because our Democratic members requested it.

For two of the positions being considered here today, the Committee hasn’t had a hearing at least going back to the Clinton Administration. And the nominees for these positions were confirmed by voice vote.

For another position that dates back to the George W. Bush Administration, this Committee also hasn’t had hearings, and nominees went on to be confirmed by voice vote.

The last time the nominee for the Assistant Secretary for Health had a hearing was in 1998, but the nominee then was also nominated to be Surgeon General.

Having said that, I want to thank Senator Murray for agreeing to markup the nominees tomorrow.

When these nominees are confirmed, all the assistant secretaries within the HELP Committee’s jurisdiction at the Department of Health and Human Services will be filled.

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